

## Message Text

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ACTION EB-08

INFO OCT-01 AF-10 ISO-00 COME-00 AID-05 ICA-20 OES-09  
ITC-01 STR-07 CIAE-00 INR-10 NSAE-00 L-03 FAA-00  
DOTE-00 CAB-05 OPIC-06 AGRE-00 /085 W  
-----020020 081759Z /44

R 081626Z SEP 78  
FM AMEMBASSY DAKAR  
TO SECSTATE WASHDC 5620  
INFO AMEMBASSY ABIDJAN  
AMEMBASSY BAMAKO  
AMEMBASSY BANJUL  
AMEMBASSY BISSAU  
AMEMBASSY LOME  
AMEMBASSY NOUAKCHOTT  
AMEMBASSY PRAIA POUCH

UNCLAS SECTION 1 OF 2 DAKAR 6700

E.O. 11652: N/A  
TAGS: BEXP, AFSP, SG  
SUBJECT: COMMERCIAL ACTION PROGRAM --FY 79

REF: STATE 174461

1. THE COMMERCIAL SETTING--SENEGAL'S ECONOMY IS CURRENTLY  
SUFFERING FROM THE EFFECTS OF THE SEVERE DROUGHT OF 1977.  
THE 1977/78 HARVEST OF PEANUTS, PEANUT OIL BEING NORMALLY  
THE CHIEF FOREIGN EXCHANGE EARNER, WAS THE SMALLEST IN  
THIRTY YEARS. THE GOVERNMENT PREDICTS A RESULTING DECLINE  
IN GROSS DOMESTIC PRODUCT OF OVER TEN PERCENT FOR 1978.  
A NUMBER OF MEASURES HAVE BEEN ADOPTED TO RAISE GOVERNMENT  
REVENUES, DAMPEN DEMAND FOR IMPORTS, AND STIMULATE EXPORTS,  
BUT THE REAL KEY TO RECOVERY IS A NORMAL RAINY SEASON AND  
A GOOD HARVEST. THE EARLY PATTERN OF RAINS IN MID-78 HAS  
BEEN EXCELLENT. WITH EVEN AN AVERAGE HARVEST WE EXPECT  
SENEGAL TO MAKE A STRONG ECONOMIC RECOVERY. WHILE BOTH  
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THE BALANCE OF PAYMENTS AND THE PUBLIC FINANCE SITUATION  
ARE CURRENTLY BLEAK, SENEGAL RETAINS LONG UNTAPPED LINES  
OF CREDIT AT BOTH THE BANQUE CENTRALE DES ETATS DE  
L'QUEST AFRIQUE AND THE IMF, AND SHOULD RIDE OUT ITS  
CURRENT DIFFICULTIES WITHOUT ANY FURTHER DISLOCATIONS.  
THE KEY SECTOR OF THE ECONOMY IS AGRICULTURE, WHICH  
RECEIVES PRIORITY IN THE CURRENT -4- YEAR PLAN. SENEGAL

HAS PLANS FOR SEVERAL LARGE IRRIGATION SCHEMES TO LESSEN DEPENDENCY ON RAINFED AGRICULTURE. OTHER MAJOR PROJECTS ARE PLANNED IN THE MINING, FISHING, TRANSPORTATION AND TOURISM SECTORS. US EXPORTS TO SENEGAL HAVE AVERAGE OVER \$35 MILLION DOLLARS FOR THE PAST SEVERAL YEARS. FRANCE REMAINS BY FAR THE MOST IMPORTANT TRADE PARTNER AND US GOODS CONTINUE TO BE DISADVANTAGED BY HIGHER TARIFFS THAN THOSE ACCORDED BY THE EEC COUNTRIES. IN ADDITION, IMPORTERS OF US GOODS MUST OBTAIN A LICENSE FOR EACH ARRIVING SHIPMENT, A PROCESS WHICH CAN PROVE TIME-CONSUMING AND A DISINCENTIVE TO IMPORTERS. THESE FACTORS COMBINE TO DISCOURAGE IN PARTICULAR THE SMALL OR MEDIUM-SIZED IMPORTER OF US CONSUMER GOODS. MOST HEAVY EQUIPMENT AND PRODUCTS FOR GOVERNMENT PROJECTS ENTER DUTY FREE.

2. PERSONNEL RESOURCES - THE COUNTRY COMMERCIAL ACTION GROUP CONSISTS OF THE AMBASSADOR AS CHAIRPERSON, THE DCM, AID PROGRAM OFFICER, PUBLIC AFFAIRS OFFICER, ECONOMIC COMMERCIAL OFFICER, AND THE COMMERCIAL SPECIALIST. THE FSO-6 ECONOMIC COMMERCIAL OFFICER NOW HEADS A SEPARATE ECONOMIC-COMMERCIAL SECTION AND REPORTS DIRECTLY TO THE DCM AND AMBASSADOR INSTEAD OF TO THE CHIEF OF THE POLITICAL SECTION, AS WAS THE PAST PRACTICE.  
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#### PERSONNEL RESOURCES

ECONOMIC/COMMERCIAL OFFICER FSO-6 BEHNKE  
COMMERCIAL SPECIALIST FSL-1 HOUDROUGE  
SECRETARY FSL-4 KANE (COMM'L 50 PERCENT)

3. POST LIKES NEW CAP FORMAT WHICH ALLOWS MAXIMUM FLEXIBILITY, A FEATURE MUCH APPRECIATED IN EMBASSY HAVING ONLY ONE E/C OFFICER. FY78 CAP WAS PREPARED VERY EARLY (DECEMBER 1976) AND IN MANY WAYS WAS OBSOLETE BEFORE IT WAS IMPLEMENTED. FOR INSTANCE, OF TWO MAIN COMMERCIAL EVENTS SCHEDULED FOR FY 1978 ONE (WATER RESOURCES TECHNICAL SEMINAR) WAS CANCELLED AND OTHER (COMMERCIAL FISHERIES TRADE MISSION) PUSHED BACK TO LATE FY 79. FY 78 SAW A SIGNIFICANT INCREASE IN AMERICAN BUSINESS VISITORS TO SENEGAL, OVER 150 OF WHOM STOPPED AT THE EMBASSY'S COMMERCIAL SECTION DURING THE PERIOD. MANY OF THESE PERSONS ARE NEW TO MARKET AND HAVE NO PRIOR LOCAL CONTACTS. THUS THE EMBASSY PLAYS A KEY ROLE IN THE INITIAL EXPOSURE TO MARKET. DEALING WITH AMERICAN BUSINESSMEN, BOTH PERSONALLY AND THROUGH

CORRESPONDENCE IS THE EMBASSY'S CHIEF COMMERCIAL  
ACTIVITY. THE OPENING OF THE NEW CHANCERY IN JUNE  
FO 1977 ALLOWED AN EXPANSION OF THE COMMERCIAL  
LIBRARY FACILITIES AND PROVIDES A MUCH MORE PLEASANT  
ATMOSPHERE FOR RECEIVING BUSINESS VISITORS THAN THE  
OLD BUILDING.

BECAUSE OF THE AFOREMENTIONED TARIFF AND NON-TARIFF  
BARRIERS TO ENTRY OF AMERICAN GOODS, EMBASSY DAKAR  
HAS NEVER HAD MUCH INPUT INTO THE TOP PROGRAM. THE  
POST DID PREPARE A LARGE NUMBER OF GOVERNMENT TENDER  
OPPORTUNITIES AND REPORT FREQUENTLY DURING THE YEAR  
ON MAJOR PROJECTS. FROM JANUARY THROUGH AUGUST 1978  
CY 78 ALSO SAW THE LARGEST NUMBER OF REQUESTS FOR  
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WTDR'S (26) AND ADS (13) IN THE POST'S HISTORY. IN  
FY 78 MARKET RESEARCH CONDUCTED BY THE POST WAS  
MINIMAL, AND ONLY IN RESPONSE TO SPECIFIC REQUESTS  
FROM AMERICAN FIRMS. FOR EXAMPLE THE POST EXAMINED

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ITC-01 STR-07 CIAE-00 INR-10 NSAE-00 L-03 FAA-00  
DOTE-00 CAB-05 OPIC-06 AGRE-00 /085 W  
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THE LOCAL MARKET FOR BICYCLES AND FOR CORRUGATED PAPER PRODUCTS FOR POTENTIAL INVESTORS IN THESE AREAS. WE SHOULD UNDERTAKE MORE EXTENSIVE RESEARCH OF KEY SECTORS BEFORE THE FIVE MAJOR COMMERCIAL ACTIVITIES PLANNED FOR FY 1979. (SEE BELOW)

THE ECONOMIC/COMMERCIAL SECTION SUPPORTED IN FY 78 TWO EVENTS WHICH HAVE CONSIDERABLE COMMERCIAL IMPACT - BILATERAL CIVIL AIR NEGOTIATIONS, SUCCESSFULLY CONCLUDED AFTER TEN DAYS OF TOUGH NEGOTIATIONS AND THE DEMONSTRATION OF THE US MICRO-WAVE LANDING SYSTEM TO OVER 130 PERSONS AT DAKAR'S YOFF AIRPORT. THE POST CONTINUES TO USE THE ICA PUBLICATION PANORAMA TO PUBLISH NEW PRODUCT INFORMATION AND OTHER ITEMS OF COMMERCIAL INTEREST. WE ONLY INFREQUENTLY GET INQUIRIES AS A RESULT OF THESE EFFORTS. THIS YEAR WE SHOULD LOOK CAREFULLY AT THE TARGET AUDIENCE WITH AN EYE TO UNCLASSIFIED

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INCREASING THE NUMBER OF BUSINESSMEN THEREIN.

4. CAMPAIGNS AND SPECIAL EFFORTS - THE EMBASSY HAS FIVE EXTRAORDINARY EVENTS SCHEDULED OVER THE NEXT FISCAL YEAR WHICH WILL REQUIRE CONSIDERABLE SUPPORT.

1.) HOUSTON TRADE DELEGATION, OCTOBER 22-25, 1978. APPROXIMATELY 25 HOUSTON AREA BUSINESSMEN WILL VISIT DAKAR NEXT MONTH AS PART OF A THREE-COUNTRY WEST AFRICAN TRIP. THE DELEGATION INCLUDES POTENTIAL INVESTORS IN TOURISM AND AGROINDUSTRY, INCLUDING RICE PROCESSING, WHICH IS OF REAL INTEREST IN SENEGAL. THE EMBASSY HAS ALREADY ARRANGED WITH THE DELEGATION'S ADVANCE MAN FOR A TWO-DAY PROGRAM TO INCLUDE A SEMINAR AT THE INDUSTRIAL FREE ZONE, A VISIT OF PORT FACILITIES, AND A TRIP TO THE PETITE COTE (SENEGAL'S COAST JUST SOUTH OF DAKAR) AREA WHICH IS BEING DEVELOPED AS A RESORT COMPLEX.

2.) THIRD INTERNATIONAL DAKAR TRADE FAIR - NOVEMBER 28 - DECEMBER 10, 1978.

STATE AND COMMERCE SUPPORTED THE PRESENCE OF 19 U.S. FIRMS IN THE PREVIOUS DAKAR TRADE FAIR TO THE TUNE OF \$80,000. COMMERCIAL RETURNS FROM THE FAIR WERE MARGINAL AND THIS YEAR NO EFFORT TO RECRUIT U.S. FIRMS HAS BEEN MOUNTED. WE EXPECT FIVE TO TEN COMPANIES TO ENTER OF THEIR OWN INITIATIVE. THE US WILL BE REPRESENTED, HOWEVER, BY AN IMPRESSIVE SCIENCE AND TECHNOLOGY EXHIBIT WHICH HAS ALREADY PLAYED TO HUGE AUDIENCES IN

KINSHASA AND ABIDJAN. THE EXHIBIT IS SPONSORED BY ICA, WHOSE LOCAL OFFICE HAS COORDINATED ARRANGEMENTS FOR PARTICIPATING IN THE FAIR IN CLOSE COOPERATION WITH THE E/C SECTION.  
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3.) OPIC INVESTMENT MISSION - MAY 1979 (TENTATIVE). PRELIMINARY GROUNDWORK HAS BEEN LAID FOR AN OPIC-SPONSORED INVESTMENT MISSION. THE SENEGALESE GOVERNMENT RESPONDED WARMLY TO THE IDEA DURING THE SPRING VISIT OF TWO OPIC OFFICIALS. THE EMBASSY WILL WORK WITH OPIC TO INSURE THAT THIS MISSION IS COMPLEMENTARY TO THE OTHER EVENTS WHICH DIRECTLY FOLLOW.

4.) COMMERCIAL FISHERIES TRADE MISSION- MAY 1979. THE IS ONE OF OUR FAVORITE SECTORS AND ONE WITH CONSIDERABLE POTENTIAL. WE ARE CONFIDENT THAT THIS TRADE MISSION WILL BE A SPRINGBOARD FOR SENEGALESE/AMERICAN COOPERATION IN FISHING.

5.) AGRICULTURAL SEMINAR MISSION - LATE JUNE, 1979. WE SEE THIS EVENT HAVING BROAD APPEAL IN SENEGAL BOTH IN ACADEMIC AND IN COMMERCIAL TERMS. SENEGAL HAS ONE OF WEST AFRICA'S MOST HIGHLY RESPECTED AGRICULTURAL RESEARCH CENTERS AND IS A LARGE MANUFACTURER OF AGRICULTURAL IMPLEMENTS. EMBASSY WILL COORDINATE WITH AID AGRICULTURAL DIVISION TO IDENTIFY PROPER DISCUSSION TOPICS. COMMENT: THE PROGRAM PROPOSED ABOVE IS BY FAR THE MOST AMBITIOUS EVER UNDERTAKEN BY THIS EMBASSY AND WE LOOK FORWARD TO A YEAR OF VIGOROUS COMMERCIAL ACTIVITY. THE SCHEDULING HOWEVER IS AWKWARD, WITH THREE EVENTS SLATED FOR MAY/JUNE. WE FEEL THAT ALL THE ABOVE EVENTS CAN PRODUCE POSITIVE COMMERCIAL RESULTS, BUT PLANNING AMONG STATE, COMMERCE AND OPIC SHOULD BEGIN SOON TO AVOID OVERLAP, PARTICULARLY IN THE THREE FINAL EVENTS.

#### 5. FINANCIAL RESOURCES SCHEDULE (STATE FUNDED)

	FY77	78(EST)	FY79(REG)
COMMERCIAL REP	\$421	\$300&	\$700
COMMERCIAL TRAVEL	1344	510	500
CONSTRUCT SERVICES	0	0	0

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COMMERCIAL LIBRARY	1253	1525	1525
TOTAL	\$3018	\$2335	\$2725

& DOES NOT INCLUDE AMBASSADOR'S/DCM'S EXPENSES ON  
COMMERCIAL REPRESENTATION

THE INCREASE IN THE FY 79 REQUEST FOR REPRESENTATION  
FUNDS IS RELATED TO THE EXTRAORDINARY EVENTS SCHEDULE  
ABOVE.  
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## Message Attributes

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